

12

DECLASSIFIED

6110 R

CONFIDENTIAL

MEMORANDUM TO THE FILE

July 14, 1959

SUBJECT: Economic Assistance Agreement of May 21, 1959, with Libya

By the first commitment made in the agreement of May 21, 1959, the United States undertook to make available a grant of \$4 million pursuant to the economic assistance agreement of September 9, 1954 (TIAS 3105) for use at the discretion of the Libyan Government instead of by the Libyan-American Reconstruction Commission (LARC), as previously agreed to in the agreement of May 6 and 30, 1955 (TIAS 3382). This commitment is to be satisfied with funds appropriated to the Department of the Air Force for operation and maintenance in the annual Department of Defense Appropriation Act. The general language of the appropriation permits the Secretary of the Air Force to effect the transfer of what constitutes an annual rental for the use of Wheelus Base either directly to the Libyan Government or to LARC.

By the second commitment, the United States undertook to transfer to the Libyan Government for its unrestricted use \$4 million as a special indication of support for Libya. By the third commitment, the United States undertook to transfer to the Libyan Government \$2 million for allocation to LARC for economic development projects to be mutually agreed upon. These two commitments are authorized by section 400(a) of the Mutual Security Act of 1954, as amended, which provides:

"There is hereby authorized to be appropriated to the President for the fiscal year 1959 not to exceed \$202,500,000 for use on such terms and conditions as he may specify for assistance designed to maintain or promote political or economic stability."

In light of the statutory authority referred to above, I consider that the agreement of May 21, 1959, constitutes a valid executive agreement.

CC:

L/T - Mr. Busha
AFN - Mr. Parker

L MSA:JBRehm:pk

811.6073/7-1459

DEPARTMENT OF STATE	
RECEIVED BY	J. M. Ray 5/6/82
APPROVED BY	
DATE	
INITIALS	
SIGNATURE	
TITLE	

CONFIDENTIAL

DECLASSIFIED

1